

EQUITY BANK GROUP

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST MARCH 2012

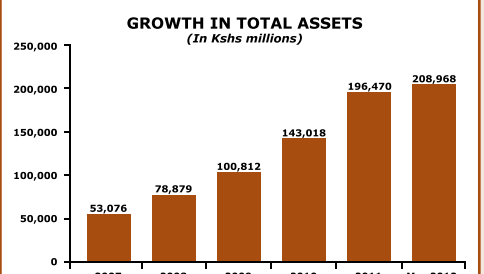
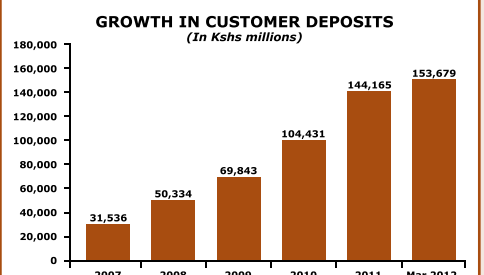
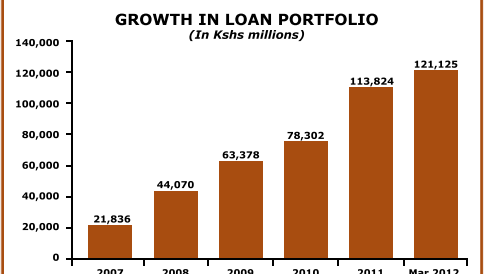
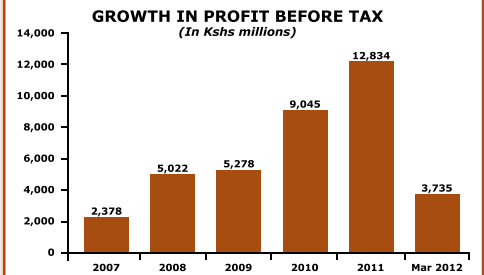


BALANCE SHEET	GROUP 3/31/11 Shs. 000 Un-audited	GROUP 12/31/11 Shs. 000 Audited	GROUP 3/31/12 Shs. 000 Un-audited	BANK 3/31/11 Shs. 000 Un-audited	BANK 12/31/11 Shs. 000 Audited	BANK 3/31/12 Shs. 000 Un-audited
A. ASSETS						
1. Cash (both Local & foreign)	12,853,550	7,166,639	6,915,243	4,797,360	4,507,264	4,852,074
2. Balances due from central Bank of Kenya	5,598,916	8,565,694	9,590,809	5,598,916	8,565,694	9,590,809
3. Kenya Government securities	5,090,646	22,616,694	22,566,708	5,090,646	22,604,042	22,550,088
4. Foreign Currency Treasury Bills and Bonds	18,961	26,301	993,381	-	-	-
5. Deposits and balances due from banking institutions	2,403,217	1,734,925	2,482,581	2,020,517	1,734,925	2,482,581
6. Deposits and balances due from banking institutions abroad	1,162,207	17,814,951	19,369,489	836,988	4,322,572	4,535,126
7. Government and other securities held for dealing purposes	24,517,543	7,594,887	6,083,977	24,499,085	7,594,887	5,573,115
8. Tax recoverable	27,781	53,484	65,632	-	-	-
9. Loans and advances to customers (net)	86,192,719	113,823,792	121,125,041	80,358,109	106,486,367	112,853,305
10. Investment securities	307,120	264,588	235,083	-	-	-
11. Balances due from group companies	181,250	123,080	308,323	2,053,550	1,318,595	1,483,060
12. Investments in associates	1,289,568	1,365,892	1,386,521	1,289,568	1,259,696	1,259,696
13. Investments in subsidiary companies	-	-	-	5,084,191	6,672,186	8,104,201
14. Investments in joint ventures	-	-	-	-	-	-
15. Investment properties	8,494	8,494	8,494	8,494	8,494	8,494
16. Property and equipment	6,802,962	7,593,617	7,757,598	5,637,146	6,044,159	6,073,929
17. Prepaid lease rentals	21,242	28,661	132,401	4,219	4,184	4,173
18. Intangible assets	1,931,205	2,237,346	2,285,694	770,822	1,075,697	1,127,252
19. Deferred tax asset	61,061	243,546	240,645	61,061	238,571	238,571
20. Retirement benefit asset	-	-	-	-	-	-
21. Other assets	5,020,267	5,031,306	7,420,742	4,403,997	4,473,663	6,455,093
22. TOTAL ASSETS	153,488,711	196,293,896	208,968,362	142,514,670	176,910,996	187,191,567
B. LIABILITIES						
23. Balances due to Central Bank of Kenya	-	-	-	-	-	-
24. Customer deposits	108,527,477	140,446,501	150,715,191	97,990,749	121,774,061	129,977,449
25. Deposits and balances due to Local banking institutions	5,772,613	3,718,360	2,963,498	5,772,613	3,718,360	2,961,178
26. Deposits and balances due to Foreign banking institutions	770,469	-	-	-	-	-
27. Other money market deposits	-	-	1,179,183	-	-	-
28. Borrowed funds	7,088,540	14,792,277	14,895,207	7,081,973	13,768,876	14,807,212
29. Balances due to group companies	-	-	-	-	-	-
30. Tax payable	1,186,781	487,452	1,447,037	1,186,781	417,108	1,412,588
31. Dividends payable	1,246,787	17,265	1,537,559	1,246,787	17,265	1,537,559
32. Deferred tax liability	-	536	523	-	-	-
33. Retirement benefit liability	-	-	-	-	-	-
34. Other liabilities	2,308,815	2,545,957	3,329,565	1,638,932	2,167,906	2,830,771
35. TOTAL LIABILITIES	126,901,482	162,008,349	176,067,763	114,917,835	141,863,576	153,526,757
C. SHAREHOLDERS' FUNDS						
36. Paid up/ Assigned capital	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388
37. Share premium/ (discount)	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021
38. Revaluation reserve	(1,427,186)	(1,712,012)	(2,067,142)	(886,406)	(1,062,134)	(1,064,754)
39. Retained earnings/ Accumulated losses	13,617,785	17,715,214	20,438,108	14,088,500	17,974,523	20,297,310
40. Statutory Loan Loss reserve	384,222	567,159	459,195	382,332	419,845	419,845
41. Proposed dividends	-	3,702,777	-	-	3,702,777	-
42. Capital grants	-	-	58,029	-	-	-
43. TOTAL SHAREHOLDERS' FUNDS	26,587,229	34,285,547	32,900,599	27,596,834	35,047,420	33,664,810
44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	153,488,711	196,293,896	208,968,362	142,514,670	176,910,996	187,191,567
PROFIT AND LOSS ACCOUNT						
INTEREST INCOME						
1.1 Loans and advances	3,262,355	16,580,710	6,544,558	2,984,651	15,266,771	6,124,844
1.2 Government securities	730,118	2,669,330	670,211	729,776	2,664,817	657,809
1.3 Deposits and placements with banking institutions	16,818	84,202	89,801	14,036	444,422	81,412
1.4 Other	368	5,329	17,257	150	-	1,359
1.5 Total Interest income	4,009,658	19,339,570	7,321,827	3,728,613	18,376,010	6,865,424
INTEREST EXPENSES						
2.1 Customer deposits	285,771	2,131,451	1,190,834	236,863	1,849,599	1,098,443
2.2 Deposits and placements from banking institutions	14,641	179,068	87,402	2,113	159,867	77,441
2.3 Other Interest expense	123,901	806,015	347,714	123,901	806,014	347,714
2.4 Total interest Expenses	424,313	3,116,533	1,625,950	362,877	2,815,480	1,523,598
NET INTEREST INCOME	3,585,346	16,223,036	5,695,877	3,365,736	15,560,530	5,341,826
OTHER OPERATING INCOME						
4.1 Fees and commissions income on loans & advances	743,044	3,353,706	884,284	700,271	3,140,853	794,229
4.2 Other Fees and commissions income	1,317,832	5,923,170	1,524,619	1,172,972	4,913,791	1,289,113
4.3 Foreign exchange trading income	390,695	1,969,830	632,335	208,032	821,075	168,105
4.4 Dividend Income	4,873	23,269	4,845	-	188,196	-
4.5 Other income	476,859	1,177,033	271,979	376,422	842,557	101,245
4.6 Total Non-Interest Income	2,933,303	12,447,008	3,318,062	2,457,697	9,906,472	2,352,692
TOTAL OPERATING INCOME	6,518,649	28,670,045	9,013,939	5,823,433	25,467,002	7,694,518
OPERATING EXPENSES						
6.1 Loan Loss Provision	695,873	1,629,648	728,830	682,797	1,533,233	697,757
6.2 Staff costs	1,310,343	5,988,598	2,050,458	1,131,836	5,164,421	1,780,766
6.3 Directors' emoluments	5,087	26,085	9,648	3,690	20,986	8,006
6.4 Rental charges	180,912	927,935	392,747	144,151	687,361	199,903
6.5 Depreciation on property and equipment	348,088	1,581,625	442,473	296,550	1,338,748	379,083
6.6 Ammortisation charges	44,855	163,723	66,224	35,760	144,918	62,891
6.7 Other operating expenses	1,064,790	5,673,288	1,622,223	881,449	4,473,821	1,247,845
6.8 Total Operating Expenses	3,649,949	15,990,902	5,312,603	3,176,234	13,363,488	4,376,251
Profit/(loss) before tax and exceptional items	2,868,700	12,679,143	3,701,336	2,647,199	12,103,514	3,318,267
Exceptional items-share of profit of associate	29,873	154,876	33,201	29,873	-	-
Profit/(loss) after exceptional items	2,898,572	12,834,019	3,734,537	2,677,072	12,103,514	3,318,267
Current tax	(569,914)	(2,696,218)	(1,097,576)	(529,440)	(2,507,167)	(995,480)
Deferred tax	-	187,356	-	-	177,510	-
Profit/ (loss) after tax and exceptional items	2,328,658	10,325,157	2,636,961	2,147,632	9,773,857	2,322,787
OTHER DISCLOSURES						
1) NON PERFORMING LOANS AND ADVANCES						
a) Gross non performing loans and advances	3,967,450	3,250,727	3,311,243	3,824,318	3,091,732	3,166,882
b) Less Interest in suspense	564,339	561,970	625,053	564,339	543,124	609,266
c) Total Non-Performing loans and advances (a-b)	3,403,111	2,688,757	2,686,190	3,259,980	2,548,608	2,557,616
d) less Loan loss provision	1,552,672	1,118,456	1,772,152	1,491,236	1,086,410	1,686,410
e) Net non- performing loans(c-d)	1,850,440	1,570,301	914,038	1,768,744	1,462,198	871,206
f) Discounted value of securities	1,850,440	1,570,301	914,038	1,768,744	1,294,321	806,396
g) Net NPLs Exposure (e-f)	-	-	-	-	167,877	64,810
2) INSIDER LOANS AND ADVANCES						
a) Directors, shareholders and associates	3,846,222	3,279,331	3,220,821	3,846,222	3,279,331	3,220,821
b) Employees	2,039,040	2,895,314	2,955,633	1,940,364	2,809,179	2,822,013
c) Total insider Loans and Advances and other Facilities	5,885,262	6,174,645	6,176,454	5,786,587	6,088,510	6,042,834
3) OFF BALANCE SHEET ITEMS						
a) Letter of Credit, guarantees, acceptances	2,974,056	5,415,359	6,429,452	2,876,778	4,900,656	5,673,906
b) Other contingent Liabilities	1,718,846	2,337,672	2,317,482	1,718,846	2,335,560	2,317,482
c) Total contingent Liabilities	4,692,902	7,753,031	8,746,934	4,595,623	7,236,216	7,991,388
4) CAPITAL STRENGTH						
a) Core Capital	-	-	-	20,974,533	19,589,322	24,205,628
b) Minimum statutory capital	-	-	-	500,000	700,000	700,000
c) Excess/ (deficiency)	-	-	-	20,474,533	18,889,322	23,505,628
d) Supplementary capital	-	-	-	5,442,877	8,044,140	7,935,617
e) Total Capital (a+d)	-	-	-	26,417,411	27,633,462	32,141,245
f) Total Risk Weighted Assets	-	-	-	98,713,123	127,548,066	137,044,472
Ratios						
g) Core Capital/ Total Deposit Liabilities	-	-	-	20%	16%	18%
h) Minimum statutory ratio	-	-	-	8%	8%	8%
i) Excess/ (deficiency) (g-h)	-	-	-	12%	8%	10%
j) Core Capital/ Total Risk Weighted Assets	-	-	-	21%	15%	18%
k) Minimum statutory Ratio	-	-	-	8%	8%	8%
l) Excess/ (deficiency) (j-k)	-	-	-	13%	7%	10%
m) Total Capital/ Total Risk Weighted assets	-	-	-	27%	22%	23%
n) Minimum statutory Ratio	-	-	-	12%	12%	12%
o) Excess/ (deficiency) (m-n)	-	-	-	15%	10%	11%
5) LIQUIDITY						
a) Liquidity Ratio	-	-	-	36%	37%	35%
b) Minimum statutory Ratio	-	-	-	20%	20%	20%
c) Excess/ (deficiency) (a-b)	-	-	-	16%	17%	15%

The above financial statements and disclosures are extracts of the financial records of the Group

Signed: **DR. JAMES MWANGI, CBS**
CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

Signed: **MR. PETER K. MUNGA, CBS**
CHAIRMAN



- Best Bank in Kenya - Annual Banking Awards 2012
- Best Bank in Kenya - Euromoney 2011 Awards for Excellence
- Global Credit Rating 2011; Long Term AA-, Short Term A+
- Best initiative in support of SMEs and Millenium Development Goals 2011 in Africa by African Investor